

late arrival of "Monowai" at San Francisco in February, 1896, being at the rate of £4 per hour for fifty hours. This is a mistake. The steamer was fifty hours late, but clause 11 of the contract allows forty-eight hours' grace before the penalty is incurred. I gather from your telegram of 29th ultimo that your reading of this clause is that no penalty is incurred if the delay does not exceed forty-eight hours, but that if this period is exceeded the penalty applies from the first hour of the steamer being late. This is quite inconsistent with the spirit of the contract, and traverses the arrangement which led to the insertion of the clause. In former contracts there was a provision which gave a bonus of £5 per hour for each hour the steamer arrived in advance of the contract time, and when this provision was withdrawn it was agreed, as a set-off, that no penalty should attach for any delay in arrival inside forty-eight hours. The position was so fully discussed at the time that there could not possibly be any opening for a misunderstanding. I cannot, therefore, accept your construction of the words in the contract, and would ask you to pass a voucher for the amount deducted. With reference to the two hours in excess of the forty-eight hours allowed, I respectfully beg that the Hon. the Postmaster-General will remit the fine incurred thereby. The circumstances which caused the delay on the voyage of the "Monowai" were unusual, and outside the control of the company. I trust, therefore, the Hon. the Postmaster-General will see his way to remit the fine.

I have, &c.,

T. W. WHITSON,
For Managing Director.

The Secretary, General Post Office, Wellington.

No. 30.

The SECRETARY, General Post Office, Wellington, to the MANAGING DIRECTOR, Union Steam Ship Company, Dunedin.

SIR,—

General Post Office, Wellington, 2nd July, 1897.

I have the honour to acknowledge the receipt of your letter of the 10th ultimo, urging that the fine for the late arrival of the "Monowai" at San Francisco in February, 1896, might be waived, on the ground that the enforcement of the penalty for the full fifty hours' delay is inconsistent with the spirit of the contract.

In reply, I have to inform you that the Acting Postmaster-General is unable to agree that the imposing of the fine of £200 was contrary to the terms of the contract, and he is supported in this view by the opinion of the Solicitor-General on the question. The Hon. Mr. Walker, however, after reviewing the circumstances of the late arrival of the vessel, has decided, as an act of grace, to remit the penalty under the power given him in clause 11 of the agreement, and a voucher for the amount has therefore been passed and sent forward for payment.

I have, &c.,

THOMAS ROSE,
For the Secretary.

The Managing Director,
Union Steam Ship Company of New Zealand (Limited), Dunedin.

No. 31.

The MANAGING DIRECTOR, Union Steam Ship Company, Dunedin, to the SECRETARY, General Post Office, Wellington.

Union Steam Ship Company of New Zealand (Limited),

SIR,—

Dunedin, 7th July, 1897.

I have the honour to acknowledge receipt of your favour of the 2nd instant, and have to express my thanks to the Acting Postmaster-General for authorising the issue of a voucher for the £200 deducted in the case of the "Monowai" in connection with her voyage from Auckland to San Francisco in February, 1896.

I have, &c.,

T. W. WHITSON,
For Managing Director.

The Secretary, General Post Office, Wellington.

No. 32.

The SUPERINTENDENT OF FOREIGN MAILS, Washington, to the POSTMASTER-GENERAL, Wellington.

Post Office Department, Office of Foreign Mails,
Washington, D.C., 3rd October, 1896.

SIR,—

Referring to your letter of the 22nd of August last [not printed], in which you request that the Resident Agent for New Zealand at San Francisco may be advised by means of telegrams from the Postmaster of New York of the particulars of the forwarding from New York to San Francisco of the first instalments of the British-Australian closed mails, I have the honour, by direction of the Postmaster-General, to inform you that the necessary instructions for compliance with your request have been issued by this department.

I am, &c.,

N. M. BROOKS,
Superintendent of Foreign Mails.

The Postmaster-General, Wellington, New Zealand.

No. 33.

[Read here letter of 16th February, No. 50, under heading of "Canadian-Pacific Mail-service."]